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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 7, 2015

Certified Return Receipt  
7013 3020 0002 3659 5651

Vern Tharp  
Moss Rock Products LLC  
12083 West 84<sup>th</sup> Place  
Arvada, Colorado 80005

Subject: Fine Payment Required for Cessation Order MC-07-01-15, Moss Rock Products LLC, Klingon Rock Operations, S/049/0060, Utah County, Utah

Dear Mr. Tharp:

A review of records of the Division of Oil, Gas and Mining shows that the civil penalty (fine) in the amount of \$1,430 for the referenced cessation order has not been paid. The final assessment was sent June 18, 2008 (copy enclosed). The timeframe to appeal either the fact of this violation or the amount of the assessed fine has lapsed, and the amount assessed is considered final. In addition, permit fees are owed for years 2010, 2012, 2013 totaling \$450. The fine and permit fees are still pending even though the Notice of Intention to Commence Small Mining Operations has been withdrawn for failure to pay permit fees.

The mine disturbance area has now been re-permitted by another entity which has provided its own reclamation surety, so the surety would be eligible for release. The Division, however, has never received a request to release the remaining reclamation surety which consists of a cash bond in the amount of \$2,500 deposited through the Utah State Treasurer in Zions Bank. The Division will not release this surety until the permit fees and civil penalty are paid. You may choose to either:

1. Pay the outstanding fines and fees totaling \$1,880 then apply for full release of the surety; or
2. Apply for bond release and ask the Division to deduct the fines and fees from the surety. (Please see the attached settlement agreement.)



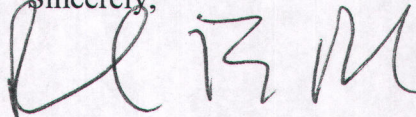


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Please remit the total payment (option 1) or sign the settlement agreement (option 2) by **July 31, 2015**. If you believe the Division records are in error and that you have paid this fine, please provide evidence of the payment, such as a copy of the cancelled check(s), before the due date. Failure to pay the assessed fine may result in seeking payment through court action or referring the amount due to the Bureau of Debt Collections. This may adversely affect your credit rating.

Please call the permit lead, April Abate, at 801-538-5214, or me at 801-538-5261 if you have questions regarding this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written over the word 'Sincerely,'.

Paul B. Baker,  
Minerals Program Manager

PBB: aa: eb

Enclosure: Copy of assessment letter 06182008

cc: John Robinson, Utah State Attorney General Office

Sheri Sasaki, DOGM Accounting; Lynn Kunzler, DOGM Assessment Officer

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Settlement Agreement for Payment of Civil Penalties  
Moss Rock Products LLC, Klingon Rock Operations  
Permit Number S/049/0060

Whereas on November 1, 2007, the Utah Division of Oil, Gas and Mining (Division) issued Cessation Order MC-07-01-15 for conducting mining operations without first obtaining a reclamation surety.

Whereas the Division issued a civil penalty in the amount of \$1430.00 associated with Cessation Order MC-07-01-15, and this civil penalty has not been paid.

Whereas the deadline for appealing the fact of the Cessation Order and the civil penalty has lapsed.

Whereas the permit fees totaling \$450.00 (\$150.00 each year) were not paid and are still owing for the years 2010, 2012, and 2013.

Whereas the Division continues to hold a cash reclamation surety from Moss Rock Products in the amount of \$2500.00 plus \$287.35 interest as of May 31, 2015.

Whereas the Notice of Intention to Commence Small Mining Operations (Notice) for the Klingon Rock Operations quarry mine has now been withdrawn and another entity has submitted a Notice and reclamation surety for the area of the Klingon operations making it unnecessary for the Division to continue holding the surety from Moss Rock Products LLC.

And whereas the Division is willing to accept a portion of the remaining cash reclamation surety as payment for the civil penalty of \$1430.00 and permit fees of \$450.00 totaling \$1880.00.

I, Vern Tharp, agree to relinquish \$1880.00 of the remaining reclamation surety in payment for the civil penalty and permit fees enumerated above. Upon acceptance of this agreement, the Division will release the remaining amount, \$620.00, plus interest.

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Signature

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Date